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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Division of Economic Information

Reserve

THE CONSUMER AND THE STANDARDIZATION OF FARM PRODUCTS*

Housekeepers in increasing numbers are asking how they can use the Federal standards for food products when they are doing the marketing for their families, and managers of cafeterias and diningrooms, who buy in larger quantities, seem to be even more interested in using these standards.

Federal standards for farm products as a rule have first been worked out from the producers' end of the marketing process. Consumers have been kept ever in mind but only within recent years has it seemed practicable to bring the work to the consumers in tangible and concrete form. Even now, the products on which this has been accomplished are few in number but they make at least a promising list.

Much as we may wish, theoretically, that all standardization work would carry through to the consumers, the fact that many of the lines do not yet reach that far limits the consumers' study of standards for practical use to a reasonable task. It is difficult for housekeepers to use standards that were not designed primarily with their problems in mind, but these standards are less puzzling to the women whose chief business is buying for a cafeteria or an institution, and who are acquainted with wholesale markets.

Hesitant judgment on the customer's part is replaced by certainty when marks, or labels, or certificates, can be used, for the device stays on or with the product till it reaches the customer and tells her the grade without any effort on her part. To be sure, workers who have examined closely into the matter say that many customers do not read the labels, but apparently the number who heed the labels is increasing among those who believe in getting their money's worth. The labels or devices do not need to supersede judgment - rather they can act as teachers, for by studying the characteristics they represent, the consumer should be the better prepared to use her own judgment on similar unlabeled products.

In answering queries, the Bureau of Agricultural Economics divides the list of standards of direct interest to consumers into two fairly well-defined groups. The first group includes those that can be readily used by the individual housekeeper under certain conditions, because of the device, or stamp, or certificate, or other visual indication of grade. The second group includes those that are so marked on some wholesale markets and can be used by consumers who buy in quantity on those markets.

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*Compiled by Caroline B. Sherman, Associate Agricultural Economist, from articles, addresses, and releases issued by the Bureau.

In the first group are beef, lamb, veal, poultry, eggs, butter, cheese, rice, and certain canned fruits and vegetables. Canned chicken and other canned chicken products might be roughly included, since those put up by a large number of firms now bear labels denoting wholesomeness if not quality grade. The second group includes fresh fruits and vegetables, and dry beans. Containers for fruits and vegetables may be said to be in a class by themselves.

Meats

Much effort has been directed, by some of the meat specialists of the Bureau, to teaching housekeepers and other customers how to choose meats of good quality. Lectures, demonstrations, exhibits, pamphlets, and posters were used in this campaign. The interest of the housekeepers and their apparent need, along with other factors, stimulated these men to develop a method by which housekeepers who are not apt pupils can now choose their cuts of beef with confidence. They devised a roller grading stamp, to be used with ink that is harmless and that usually disappears in cooking. This stamp is rolled over those parts of a carcass that later become retail cuts. The stamp repeats the class and grade names in such a way that they appear on each retail cut and give the customers the information they need regarding the quality of the cut. It is different from the purple stamp used in the Federal meat inspection work to show that the carcass has been inspected for diseased condition. This grading work takes place later and is an optional service. It is especially designed to aid in the merchandising of meats under exactly the true grade names so that when a housekeeper says she wants a Good grade roast or steak she can be sure of getting one of good quality. In fact, this service has been developed with the millions of American housewives particularly in mind. 1/

This meat-stamping service is available for U. S. Prime, U. S. Choice, U. S. Good, and U. S. Medium grade beef carcasses and wholesale cuts in the cities of Baltimore, Boston, Buffalo, Chicago, Detroit, Erie, Kansas City, New York, Omaha, Philadelphia, San Francisco, Sioux City, St. Louis, Washington, D. C. and Wichita. Anyone who calls for the service - slaughterer, packer, wholesaler, jobber, hotel or restaurant buyer, or retailer - can have it for a nominal charge, which amounts to only a very small fraction of a cent per pound. This graded and stamped beef is available in any part of the United States in which the retailers order from slaughterers or dealers who make use of this service. This means a very wide area. Official graders in these cities will grade and stamp beef on the request of either sellers or buyers.

During the fiscal year 1934, more than 275 million pounds of meat were graded and stamped for sale on the markets and for general commercial distribution as well as for Government, State, county, and city institutions. This is an increase of approximately 20 million pounds over the quantity graded during 1933.

The meat-grading service is extensively used by hotels, restaurants, hospitals, steamship lines, Pullman dining cars, and other institutions.

1/ For further information send for Leaflet 67: Beef Grading and Stamping Service, by W. C. Davis, issued by the United States Department of Agriculture.

It has been an important factor in building up business in many restaurants and hotel dining rooms. In Omaha, for instance, practically every public dining room has been using and advertising the stamped meat for several years. The service is perhaps equally popular in St. Louis, Kansas City, Detroit, New York City, and other places.

The service is already liked by individual housekeepers, for they feel that the Government stamp is an accurate measure of quality and a safeguard against the sale of inferior meat at high prices. Some housekeepers are buying meat more freely as well as more confidently, now that it is U. S. stamped by grade; they say they feel sure of satisfying the family and of getting their money's worth at the same time. This increased buying exactly suits the meat dealers, so they are becoming more and more interested in Government stamping. Many who are selling U. S. stamped beef report a steadily increasing demand for beef of the higher grades.

Naturally dealers are not likely to change their places of buying unless they feel rather sure that the change will improve their business. If a dealer believes that his customers will not take an interest in the U. S. grade stamp or appreciate what it means, there is not much inducement to make a special effort to stock up with the stamped meat. But if customers ask for it, and continue to ask for it, most dealers will provide the kind of meat their customers want. So it is evident that just how available these Government stamped meats are to be in the local groceries, independent retail markets, and chain stores, largely depends upon the housekeepers themselves. Real demand is almost certain to bring a supply. As yet only the four higher grades of steer and heifer beef are stamped, but the Bureau will stamp other classes and all grades whenever there is sufficient demand.

The lamb grading and stamping service was inaugurated late in 1930 and is available at all cities in which the beef-grading service is conducted. Three grades of lamb are stamped - U. S. Prime, U. S. Choice, and U. S. Good. During the fiscal year 1931, more than 1 million pounds of lamb were graded and stamped; during the fiscal year year 1934, nearly 8 million pounds of lamb were graded and stamped.

The veal grading and stamping service is now available in the same cities. Four grades are stamped - U. S. Prime, U. S. Choice, U. S. Good, and U. S. Medium. About 1¼ million pounds were stamped in the fiscal year 1931 and in the fiscal year 1934 about 1¾ million pounds were stamped.

Poultry

Turkeys have been graded for the Thanksgiving and Christmas markets during the last 7 years. In the early years of this work the turkeys were marked by grade for the consumer, either by stamping each bird or by labeling it with a grade tag. The grading service has been rendered both at shipping points and at terminal markets. During the first few years the grading was done principally at terminal markets but in the last few years it has been done largely at shipping points. At present, only a few of the turkeys are marked individually with a grade tag. Most of them are packed in boxes and each box is stamped with the U. S. grade of the turkeys it contains. Approximately 5,000,000 to 7,000,000 pounds of turkeys are graded annually.

Various other classes of poultry are also graded by the Bureau at a number of poultry-packing plants in the Middle West. As in the case of turkeys, the boxes of poultry are stamped with the grade and the individual birds are not marked but it is expected that in the near future increasing quantities of poultry will carry the U.S. grade marks or labels on the individual birds. About 4,000,000 pounds of poultry other than turkeys are graded annually at shipping points and the volume is rapidly increasing.

This Bureau has experimented considerably to find the best way to mark individual poultry carcasses with the grade. At first the grade was stamped on the back of the bird and a tag was also attached to one wing, giving the grade and other information. At present, two grades of poultry are marked, if any marking of the individual birds is done- U.S. Prime and U. S. Choice. The grade name is printed on a label or tag which is attached to the individual bird by means of a fastener that passes through the skin of the breast or wing. This fastener is so devised that it breaks when it is removed and therefore cannot be used again on another bird.

Eggs

Considerable work has been conducted by the Bureau in carrying the U. S. grades of eggs through to the consumer. This carrying is done by means of certificates of quality and seals which show the U. S. grade and the size of the eggs and which are used to seal the 1-dozen cartons in which the eggs are packed. Some 30 dealers have been authorized to use the certificates of quality on eggs and approximately 3,500,000 dozens of eggs are marketed annually under such seals. This work is carried on in widely scattered areas, including Los Angeles, San Francisco, Seattle, New York, Baltimore, and Washington, D. C. The consumers are apparently favorably inclined to the purchase of eggs plainly marked with the U. S. grades. The Bureau's experience in the use of the certificates of quality and seals indicates that the method has definite advantages in promoting the sale of eggs of good quality, as well as in protecting the consumer.

Butter

A similar service is available for butter. Cartons of certain widely distributed brands of high-quality butter contain certificates of quality which show the grade of the butter as determined by an authorized representative of the U. S. Department of Agriculture. About 25 firms are authorized to use such certificates. Sales of butter with certificates of quality approximate 60,000,000 pounds each year.

Cheese

A grading service has recently been put in effect in connection with American cheese. Several kinds of process cheese are manufactured from natural cheese which has been graded by representatives of the Bureau. The consumer packages of this process cheese carry information on the label concerning the grade of the natural cheese used in the processed product. Indications are that the quantities of cheese sold to consumers with this statement of its grade will increase rapidly. The stamping of certain natural American cheese with the U. S. grade (93 score) is another means used to

carry the grade of cheese to the retail stores and to the consumers.

Rice

Milled and brown rice can now be bought by Federal grade. More and more, retail packages of rice are seen on the grocery shelves carrying these grade names although all of the labels do not use the "U. S." before the grade name.

Canned Fruits and Vegetables

Simple grade terminology("Grade A", "Grade B",)etc., appears in the grades for canned fruits and vegetables developed by the Bureau. These grades are now used in connection with the inspection and grading of canned fruits and vegetables under the Farm Products Grading law and the United States Warehouse Act.

The simplicity of the nomenclature and the fact that the grades have been widely and successfully used as the basis for the determination of collateral values have led some to the belief that the grades afford acceptable nomenclature for use on labels. A few canners are now labeling their products with these terms in order that the consumer may be apprised of the quality of merchandise in the can.

The Bureau feels that informative labeling is particularly desirable as it enables the consumer to make selections actually on the basis of the quality preferred. In general, Grade A represents the finest, most succulent vegetables. Grade B vegetables may not be quite so tender and succulent, but may be termed the general utility grade and will be found very satisfactory for use in the average household. Grade C merchandise will be found to be wholesome food and has a definite use in the average household. For example, Grade A canned corn is very generally used as a side dish, Grade B may be used for making of pudding and casserole dishes, and Grade C canned corn furnishes the basis for excellent soup. The Bureau feels that housewives will do well to insist on buying merchandise on which the grade is indicated in the simple terms suggested herein.

Grades have been developed either in tentative or in recommended form for the following commodities: Apple sauce, grapefruit, beets, corn (cream style), corn (whole grain style), dry beans, lima beans, peas, pumpkin (squash), sauerkraut, snap beans, spinach, succotash, tomatoes, tomato catchup, tomato juice, and tomato pulp.

Canned Chicken and Chicken Products

A service that the Bureau conducts for canners of chicken and chicken products (such as chicken soup, chicken broth, and boneless chicken) has to do with the condition and wholesomeness of the poultry used rather than its commercial grade or quality, but the work is closely related to the standardization and grading work. The label, used on canned chicken products that are prepared under supervision of the Bureau, has an inspection legend printed on it which shows that the chicken used in the product has been inspected and certified by the

Bureau. Qualified veterinary inspectors examine all carcasses thoroughly and reject all that are unwholesome. This service was inaugurated at the request of the canners and approximately 20 firms located in Massachusetts, New York, Pennsylvania, New Jersey, Delaware, Indiana, Illinois, Minnesota, and Washington are now using it. Approximately 1,500,000 pounds of poultry are inspected monthly. These labeled goods are widely distributed, so that housekeepers in any of the larger cities and in many of the smaller towns should be able to obtain these Government-inspected products.

Fresh Fruits and Vegetables

Coming now to the second group of products, the Bureau has worked out standards for practically all fruits and vegetables and each year a larger quantity is sold under these grades. It is estimated that 80 percent of the commercial potato crop is so sold. Large quantities of apples are sold under grade, and so on, in decreasing proportion, down to the minor products, like shallots and chicory. But as a rule these grades and their designations are not as yet carrying through to the retail markets, either because the producer does not mark the grade on the container or the dealer who has bought the commodity by the U. S. grade sometimes discards the part of the container that bears the mark.

On some of the markets, many buyers who purchase wholesale containers of potatoes and apples are now asking for United States grades, and are already frequently finding the grade marks when they look or ask for them. The more they ask the more they will find them. An increased and consistent demand may mean that dealers on the wholesale markets will make a point of featuring the U. S. grade mark.

Since these grades were primarily designed for the wholesale rather than the consumer trade the report of a recent informal demonstration may be useful. An inspector examined a bag of U. S. No. 1 potatoes and showed how and why it had been so designated. He explained that the grade allows for a certain number of small and defective specimens such as would usually grade as U. S. No. 2, for the grading must be done quickly as the tubers pass before the grader on a moving belt; that through oversight and some error of human judgment, a few No. 2 potatoes will inevitably slip by. Looking through the bag the inspector found that the number of undesirable tubers did not exceed the number allowed. He explained that the retailer, who would normally buy this bag, might sort out the potatoes into more closely uniform lots if he had an exacting class of customers. For a wholesale grade some dust on the potato or in the bag is allowable, he explained, for with such a cheap commodity as potatoes the grader cannot be expected, at present, to grade very closely or to clean each potato. Many shippers believe that to take the time and trouble to put up bags of perfectly clean potatoes running absolutely close to the median of the grade would necessarily make U. S. No. 1 potatoes so expensive that the work would not be justified.

Quality factors such as size and color do not change after time of grading and packing, while condition factors such as ripeness and decay may change materially during the transit or storage period. The more perishable of the fruits and vegetables, like peaches and spinach, change in condition from day to day and almost from hour to hour, especially if they are handled

frequently. The storekeeper would have to handle them frequently if he were to try to keep each unit within a specified grade, for peaches that are U. S. Fancy in the morning may be spotted with decay by late afternoon. The present grades for these perishables are based on the factors of (1) variety, (2) quality (such as under-maturity, general appearance, shape, color, and relative freedom from the defects that cause waste or unreasonable deterioration), and (3), usually, size.

Considering these and many other facts, specialists in fruits and vegetables believe that in general the greatest improvement can be brought about by improving the quality of the products shipped to market. Therefore they are concentrating their activities on grading and standardization work at producing centers. Such standardization work, based on systematic studies of consumer preferences, is slowly revolutionizing the character of the trade in perishables, although these improvements are in a form that the housekeepers are not likely to recognize. Yearly the housekeepers get better produce for every dollar spent for it.

Dry Beans

Standards have been worked out for 21 classes of dry edible beans, and these standards are used to a considerable extent in the trade. To a limited extent, the retailer is getting beans under these grade names and indications are that many more retailers will soon handle them by the grade. Therefore consumers might well begin to ask for beans in that way.

Containers

In one important line, standardization work, once accomplished, is done permanently and the customer can put all further care on that score behind her. In 1913, when standardization work on farm products was just making a good start, the Bureau had constant queries, both from housekeepers and from certain elements in the trade as to whether anything could be done to eliminate the nuisance of "snide" berry and fruit boxes. Frequently when they emptied out a berry box, the housekeepers complained, they found the bottom set high in the box, and similar practices deprived them of their rightful quantity of other small fruits.

Several years ago, Congress passed a standard container law which prescribed the sizes for baskets for small fruits and vegetables in interstate trade. By this law more than a dozen sizes of grape baskets were reduced to three and more than 33 sizes of berry boxes and till baskets were replaced by 6 common sizes. A few years later another bill was passed which standardized hampers, round-stave baskets, and market or splint baskets. Nine sizes of hampers, for instance, now replace about 50 styles and sizes that had been in use. Formerly when a housekeeper bought a hamper of vegetables she did not know whether she was getting a full bushel or seven-eighths of a bushel, for the same price was usually paid regardless of the size of the so-called bushel hamper and the difference in size was not evident. Market baskets are used in selling many commodities on some markets, and they varied widely in capacity as well as in style. It was even more difficult to detect their discrepancies by eye than in the case of the hampers. The sizes are now only six in

number; the same styles are allowed, but they must conform to these sizes in capacity.

These standard sizes, once set, have met with almost universal favor. The work of enforcing the standard container laws has been largely a work of education and of servicing manufacturers' operations by seasonal tests of their containers.

Crates and boxes - including cartons for fruits and vegetables - are still unregulated as to sizes although cartons are becoming increasingly important and diversified.

In Conclusion

The specifications or descriptions of the grades of almost any farm product will be sent by the Bureau of Agricultural Economics to any consumer who writes for them and who designates the specific commodities in which she is interested. Some of the specifications that may be unsuitable for her use may still be suggestive of things to look out for when buying. For instance, a careful housekeeper would glean some useful information and some practical hints from the study of the Bureau standards for any meats, especially if she is in a position to compare the printed specifications with the labeled beef.

Huge sums are spent by many large growers' organizations and many large firms in retail store work. Through displays, folders, and labels, they are bringing the consumers much information that works to the advantage of all. Government grades are increasingly recognized as one means of carrying on such work. Some leaders in the Federal standardization work believe that eventually many of the U. S. grades will be carried to consumers chiefly through these large distributors and advertisers. Demand from the consuming end will do much to encourage such a development. Many cooperative growers' organizations and firms do not now see how they can profitably relate their brands closely with the official grades but there are signs that such a development may be coming.

The Chief of the Bureau has said in effect that the consumer phase of standardization - the development of grades on which individual consumers can buy - is the all-important element in the future standardization program. Many consumers need and want these grades. Their demands must be met and the other consumers must be reached, for until the individual consumers think in terms of qualities, and buy on the basis of grades that signify quality, there cannot be the most sensitive adjustment of price to quality.

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